

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF
TRI-CREEK SCHOOL CORPORATION
LAKE COUNTY, INDIANA
July 1, 2004 to June 30, 2006



FILED
03/23/2007

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Sandra K. Goss	07-01-04 to 06-30-07
Superintendent of Schools	Dr. Alice A. Neal	07-01-04 to 06-30-07
President of the School Board	Linda Pancini Culver Suzette Vauter	07-01-04 to 03-31-05 04-01-05 to 06-30-07



STATE OF INDIANA
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**INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

TO: THE OFFICIALS OF THE TRI-CREEK SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Tri-Creek School Corporation (School Corporation), as of and for the years ended June 30, 2005 and 2006, which collectively comprise the School Corporation's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the School Corporation's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the School Corporation prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the School Corporation as of June 30, 2005 and 2006, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated January 3, 2007, on our consideration of the School Corporation's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the School Corporation taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

The Schedule of Funding Progress, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The School Corporation has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Corporation's basic financial statements. The Schedule of Long-Term Debt is presented for additional analysis and is not a required part of the basic financial statements. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

December 12, 2006



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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

TO: THE OFFICIALS OF THE TRI-CREEK SCHOOL CORPORATION, LAKE COUNTY, INDIANA

We have audited the financial statements of the Tri-Creek School Corporation (School Corporation), as of and for the years ended June 30, 2005 and 2006, and have issued our report thereon January 3, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School Corporation's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

We noted other matters involving the internal control over financial reporting that we have discussed with the management of the School Corporation on January 3, 2007. These immaterial instances of noncompliance were subsequently communicated to management in a separate letter.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 12, 2006

TRI-CREEK SCHOOL CORPORATION
STATEMENT OF CASH AND INVESTMENTS
June 30, 2005

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	<u>\$ 10,502,407</u>
<u>Net Assets</u>	
Unrestricted	<u>\$ 10,502,407</u>

The accompanying notes are an integral part of the financial statements.

TRI-CREEK SCHOOL CORPORATION
STATEMENT OF CASH AND INVESTMENTS
June 30, 2006

<u>Assets</u>	<u>Governmental Activities</u>
Current assets:	
Cash and investments	<u>\$ 6,222,375</u>
<u>Net Assets</u>	
Unrestricted	<u>\$ 6,222,375</u>

The accompanying notes are an integral part of the financial statements.

TRI-CREEK SCHOOL CORPORATION
STATEMENT OF CASH ACTIVITIES
For the Year Ended June 30, 2005

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 8,133,552	\$ -	\$ 233,518	\$ (7,900,034)
Support services	26,430,574	1,092,108	250,741	(25,087,725)
Community services	32,016	-	-	(32,016)
Nonprogrammed charges	1,681,641	-	-	(1,681,641)
Debt service	12,329,913	-	-	(12,329,913)
Total governmental activities	<u>\$ 48,607,696</u>	<u>\$ 1,092,108</u>	<u>\$ 484,259</u>	<u>(47,031,329)</u>
General receipts:				
Property taxes				13,134,239
Other local sources				2,163,455
State aid				12,386,175
Grants and contributions not restricted				829,355
Bonds and loans				5,741,164
Sale of property, adjustments, and refunds				937,890
Investment earnings				<u>300,663</u>
Total general receipts				<u>35,492,941</u>
Change in cash and investments				(11,538,388)
Net assets - beginning				<u>22,040,795</u>
Net assets - ending				<u>\$ 10,502,407</u>

The accompanying notes are an integral part of the financial statements.

TRI-CREEK SCHOOL CORPORATION
STATEMENT OF CASH ACTIVITIES
For the Year Ended June 30, 2006

Functions/Programs	Disbursements	Program Receipts		Net (Disbursement) Receipts
		Charges for Services	Operating Grants and Contributions	Total
Governmental activities:				
Instruction	\$ 8,279,946	\$ -	\$ 221,313	\$ (8,058,633)
Support services	18,956,536	1,145,987	352,111	(17,458,438)
Community services	33,001	-	-	(33,001)
Nonprogrammed charges	2,107,675	-	-	(2,107,675)
Debt service	10,506,437	-	-	(10,506,437)
Total governmental activities	<u>\$ 39,883,595</u>	<u>\$ 1,145,987</u>	<u>\$ 573,424</u>	<u>(38,164,184)</u>
General receipts:				
Property taxes				14,978,622
Other local sources				1,792,354
State aid				11,810,248
Grants and contributions not restricted				729,723
Bonds and loans				3,100,000
Sale of property, adjustments, and refunds				1,188,430
Investment earnings				<u>284,775</u>
Total general receipts				<u>33,884,152</u>
Change in cash and investments				(4,280,032)
Net assets - beginning				<u>10,502,407</u>
Net assets - ending				<u>\$ 6,222,375</u>

The accompanying notes are an integral part of the financial statements.

TRI-CREEK SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2005

	General	Transportation Operating	School Lunch	Debt Service	Capital Projects	School Bus Replacement	High School Construction	Other	Totals
Receipts:									
Local sources	\$ 5,221,635	\$ 1,127,980	\$ 790,794	\$ 6,991,974	\$ 1,403,734	\$ 91,518	\$ 359,748	\$ 474,958	\$ 16,462,341
Intermediate sources	226,887	-	-	-	-	-	-	1,238	228,125
State sources	12,538,219	-	21,079	-	-	-	-	337,439	12,896,737
Federal sources	51,310	-	208,494	-	-	-	-	543,247	803,051
Bonds and loans	2,042,000	-	-	-	-	-	-	3,699,164	5,741,164
Sale of property, adjustments and refunds	439,453	15	275,000	146,753	6,426	-	-	70,243	937,890
Intergovernmental transfers	-	100,000	-	216,493	-	-	-	213,111	529,604
Total receipts	<u>20,519,504</u>	<u>1,227,995</u>	<u>1,295,367</u>	<u>7,355,220</u>	<u>1,410,160</u>	<u>91,518</u>	<u>359,748</u>	<u>5,339,400</u>	<u>37,598,912</u>
Disbursements:									
Current:									
Instruction	7,883,824	-	-	-	-	-	-	249,728	8,133,552
Support services	8,101,132	1,097,464	1,069,097	-	1,181,279	299,750	8,982,935	5,698,917	26,430,574
Community services	32,016	-	-	-	-	-	-	-	32,016
Nonprogrammed charges	1,350,826	-	275,000	140,485	100,000	-	30,214	314,720	2,211,245
Debt services	<u>3,810,000</u>	<u>-</u>	<u>-</u>	<u>8,456,481</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>63,432</u>	<u>12,329,913</u>
Total disbursements	<u>21,177,798</u>	<u>1,097,464</u>	<u>1,344,097</u>	<u>8,596,966</u>	<u>1,281,279</u>	<u>299,750</u>	<u>9,013,149</u>	<u>6,326,797</u>	<u>49,137,300</u>
Excess (deficiency) of total receipts over (under) total disbursements	(658,294)	130,531	(48,730)	(1,241,746)	128,881	(208,232)	(8,653,401)	(987,397)	(11,538,388)
Cash and investments - beginning	<u>2,117,016</u>	<u>521,935</u>	<u>792,510</u>	<u>(478,619)</u>	<u>1,477,931</u>	<u>242,314</u>	<u>15,186,545</u>	<u>2,181,163</u>	<u>22,040,795</u>
Cash and investments - ending	<u>\$ 1,458,722</u>	<u>\$ 652,466</u>	<u>\$ 743,780</u>	<u>\$ (1,720,365)</u>	<u>\$ 1,606,812</u>	<u>\$ 34,082</u>	<u>\$ 6,533,144</u>	<u>\$ 1,193,766</u>	<u>\$ 10,502,407</u>

The accompanying notes are an integral part of the financial statements.

TRI-CREEK SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
GOVERNMENTAL FUNDS
For The Year Ended June 30, 2006

	General	Transportation Operating	School Lunch	Debt Service	Capital Projects	School Bus Replacement	High School Construction	Other	Totals
Receipts:									
Local sources	\$ 7,188,722	\$ 1,362,201	\$ 840,445	\$ 5,843,740	\$ 2,062,581	\$ 206,961	\$ 133,888	\$ 410,198	\$ 18,048,736
Intermediate sources	151,223	-	-	-	-	-	-	1,781	153,004
State sources	11,910,379	-	21,770	-	-	-	-	454,288	12,386,437
Federal sources	53,566	-	311,533	-	-	-	-	361,858	726,957
Bonds and loans	-	-	-	3,100,000	-	-	-	-	3,100,000
Sale of property, adjustments and refunds	397,644	2,118	650,000	-	6,840	-	-	131,828	1,188,430
Intergovernmental transfers	-	100,000	-	-	100,000	-	-	99,814	299,814
Total receipts	<u>19,701,534</u>	<u>1,464,319</u>	<u>1,823,748</u>	<u>8,943,740</u>	<u>2,169,421</u>	<u>206,961</u>	<u>133,888</u>	<u>1,459,767</u>	<u>35,903,378</u>
Disbursements:									
Current:									
Instruction	7,923,619	-	-	-	-	-	-	356,328	8,279,947
Support services	7,547,139	1,321,715	1,001,318	-	2,055,695	-	6,195,421	835,248	18,956,536
Community services	32,517	-	-	-	-	-	-	484	33,001
Nonprogrammed charges	1,215,720	100,000	750,000	-	100,000	-	34,750	207,019	2,407,489
Debt services	<u>2,042,000</u>	<u>-</u>	<u>-</u>	<u>8,326,590</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>137,847</u>	<u>10,506,437</u>
Total disbursements	<u>18,760,995</u>	<u>1,421,715</u>	<u>1,751,318</u>	<u>8,326,590</u>	<u>2,155,695</u>	<u>-</u>	<u>6,230,171</u>	<u>1,536,926</u>	<u>40,183,410</u>
Excess (deficiency) of total receipts over (under) total disbursements	940,539	42,604	72,430	617,150	13,726	206,961	(6,096,283)	(77,159)	(4,280,032)
Cash and investments - beginning	<u>1,458,722</u>	<u>652,466</u>	<u>743,780</u>	<u>(1,720,365)</u>	<u>1,606,812</u>	<u>34,082</u>	<u>6,533,144</u>	<u>1,193,766</u>	<u>10,502,407</u>
Cash and investments - ending	<u>\$ 2,399,261</u>	<u>\$ 695,070</u>	<u>\$ 816,210</u>	<u>\$ (1,103,215)</u>	<u>\$ 1,620,538</u>	<u>\$ 241,043</u>	<u>\$ 436,861</u>	<u>\$ 1,116,607</u>	<u>\$ 6,222,375</u>

The accompanying notes are an integral part of the financial statements.

TRI-CREEK SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH AND INVESTMENTS
FIDUCIARY FUND
For The Year Ended June 30, 2005

	<u>Pension Trust Fund</u>
Additions:	
Local sources	\$ 29,642
Deductions	<u>-</u>
Excess of total additions over total deductions	29,642
Cash and investments - beginning	<u>1,555,963</u>
Cash and investments - ending	<u><u>\$ 1,585,605</u></u>

The accompanying notes are an integral part of the financial statements.

TRI-CREEK SCHOOL CORPORATION
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CHANGES IN CASH AND INVESTMENTS
FIDUCIARY FUND
For The Year Ended June 30, 2006

	Pension Trust Fund
Additions:	
Local sources	\$ 62,899
Bonds and loans	<u>1,200,000</u>
Total additions	<u>1,262,899</u>
Deductions:	
Support services	2,944,120
Nonprogrammed charges	<u>30,000</u>
Total deductions	<u>2,974,120</u>
Deficiency of total additions under total deductions	(1,711,221)
Cash and investments - beginning	<u>1,585,605</u>
Cash and investments - ending	<u>\$ (125,616)</u>

The accompanying notes are an integral part of the financial statements.

TRI-CREEK SCHOOL CORPORATION
STATEMENT OF CASH AND INVESTMENTS
FIDUCIARY FUNDS
June 30, 2005

<u>Assets</u>	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Cash and investments	\$ 1,585,605	\$ 38,674
	<u> </u>	<u> </u>
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	\$ 1,585,605	
	<u> </u>	

The accompanying notes are an integral part of the financial statements.

TRI-CREEK SCHOOL CORPORATION
STATEMENT OF CASH AND INVESTMENTS
FIDUCIARY FUNDS
June 30, 2006

<u>Assets</u>	<u>Pension Trust Fund</u>	<u>Agency Funds</u>
Cash and investments	\$ (125,616)	\$ 67,825
	<u> </u>	<u> </u>
<u>Net Assets</u>		
Held in trust for employee benefits and other purposes	\$ (125,616)	
	<u> </u>	

The accompanying notes are an integral part of the financial statements.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

School Corporation, as used herein, shall include, but is not limited to, school townships, school towns, school cities, consolidated school corporations, joint schools, metropolitan school districts, township school districts, county schools, united schools, school districts, cooperatives, educational service centers, community schools, community school corporations, and charter schools.

The School Corporation was established under the laws of the State of Indiana. The School Corporation operates under a Board of School Trustees form of government and provides educational services.

The School Corporation's financial reporting entity is composed of the Primary Government only.

In determining the financial reporting entity, the School Corporation complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Ventures

The School Corporation is a participant with 9 other school corporations in a joint venture to operate the Northwest Indiana Special Education Cooperative (Cooperative) which was created to provide special education services to special need students. The School Corporation is obligated by contract to share the costs of the Cooperative by a formula based on the average daily membership count, as well as a fixed fee for each student that participates in the Cooperative. Complete financial statements for the Cooperative can be obtained from its administrative offices at 2150 West 97th Avenue, Crown Point, IN 46307.

The School Corporation is a participant with 20 schools in a joint venture to operate the Northwest Indiana Educational Service Center (Service Center) which was created to provide cooperative purchasing, multi-media services, curriculum/staff development, technology services, and other educational services. The Service Center operates under the authority of the Northwest Indiana Public School Study Council. The School Corporation provides funding based upon Average Daily Membership, determined annually. Complete financial statements for the Service Center can be obtained through the School Town of Highland, 2030 – 41st Street, Highland, IN 46322.

The School Corporation is a participant in the Northwest Indiana Public School Study Council (Study Council), a joint school services program established December 10, 1969, for the improvement of education and the study of problems and issues involved in public education. A board composed of a member from each participating school corporation governs the Study Council. The School Corporation pays \$1,000 annually to belong to the Study Council. Complete financial statements for the Study Council can be obtained from the Merrillville Community School Corporation, 6701 Delaware Street, Merrillville, IN 46410.

The School Corporation is a participant with Hanover and Crown Point Community School Corporations in a joint venture to operate the District 4 Vocational Education Cooperative (Cooperative) which was created to provide vocational curriculum and curriculum support. The School Corporation is obligated by agreement to remit a fee based upon high school enrollment to support the administrative costs. Hanover Community School Corporation, as the fiscal agent, receives and expends vocational education grants on behalf of the three school corporations. Complete financial statements for the Cooperative can be obtained from Hanover Community School Corporation, PO Box 645, Cedar Lake, IN 46303.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The School Corporation is a participant with 15 other school corporations in Lake County in a joint venture to operate the Lake County Safe Schools Commission. The Commission was authorized in 1999 by Indiana Code 5-2-10.1. The Commission was established to improve school safety issues. The Commission is governed by a board composed of a member from each school corporation in Lake County. Although the member schools may fund the Commission, the Commission has generated sufficient revenue without member payments. Complete financial statements for the Commission can be obtained through the Lake Station Community School Corporation, 2500 Pike Street, Lake Station, IN 46405.

The School Corporation is a participant with other participating school corporations in a joint venture to operate the Northwest Indiana Natural Gas Cooperative (Gas Cooperative), which was created to procure natural gas in a more economical and efficient manner. The Gas Cooperative operates under the authority of the Northwest Indiana Educational Service Center (Service Center). The School Corporation provides funding for administrative costs based upon a percentage basis of the Average Daily Membership Counts not to exceed \$10,000. Complete financial statements for the Gas Cooperative can be obtained from the Service Center Administration Offices, 2939 41st Avenue, Highland, IN 46322.

Related Organizations

The School Corporation's officials are also responsible for appointing the members of the boards of other organizations, but the School Corporation's accountability for these organizations does not extend beyond making the appointments. The School Corporation appoints a board member of the Lowell Public Library.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Cash and Investments and the Statement of Cash Activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. However, there are no business-type activities to report at this time.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. However, at this time, the School Corporation has not established any enterprise funds.

The School Corporation reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

The transportation operating fund accounts for financial resources for the transportation of school children to and from school.

The school lunch fund is used to record all receipts from the sale of meals and federal and state reimbursements. It also accounts for all disbursements to operate the student nutrition program.

The debt service fund accounts for debt from funds borrowed or advanced for the purchase or lease of school buildings, school buses, judgments against the corporation, equipment or capital construction, and interest on emergency and temporary loans.

The capital projects fund accounts for planned construction, repair, replacement or remodeling; and the purchase, lease, upgrade, maintenance, or repair of computer equipment.

The school bus replacement fund is used to account for receipts and disbursements concerning the acquisition and disposal of school buses.

The high school construction fund is used to account for receipts and disbursements related to the renovation of the high school.

Additionally, the School Corporation reports the following fund types:

The pension trust fund accounts for the activities of the retirement/severance, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the School Corporation as an agent for payroll withholding remittances and serve as control of accounts for certain cash transactions during the time they are a liability to the School Corporation.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the School Corporation utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds) or other departments or agencies primarily within the government (internal service funds). The School Corporation does not have any enterprise or internal service funds.

When both restricted and unrestricted resources are available for use, the School Corporation's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the School Corporation in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

3. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 10 to 12 days per year based on months of service. Unused sick leave may be accumulated to a maximum of 200 days. Accumulated sick leave is paid to employees through cash payments upon retirement.

b. Vacation Leave

Nonteaching or administrative and noncertified School Corporation employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.

c. Personal Leave

School Corporation employees earn personal leave at the rate of 2 days per year after 1 year of service. Unused personal leave may be added to the total accumulated sick leave on an annual basis.

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as receipts – bonds and loans and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the School Corporation's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as cash and investment balance.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, and (2) operating grants and contributions. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Cash and Investments and the Statement of Cash Activities, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are reported as reimbursements.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Cash and Investments and the Statement of Cash Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Cash and Investments and the Statement of Cash Activities.

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the School Corporation submits to the governing board a proposed operating budget for the year commencing the following July 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the School Corporation receives approval of the Indiana Department of Local Government Finance.

The School Corporation's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by function for all budgeted funds.

B. Disbursements in Excess of Appropriations

For the years ended June 30, 2005 and 2006, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

<u>Fund</u>	<u>2005</u>
Pension Debt	\$ 70,242
Debt Service	<u>48,399</u>
Total	<u>\$ 118,641</u>

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Cash and Investment Balance Deficits

At June 30, 2005 and 2006, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as referenced in state statute.

Fund	2005	2006
Safe Haven Grant	\$ -	\$ 1,167
Common School Technology Advance	66,223	46,174
Title IV, Part A Safe and Drug Free	-	4,024
Perkins Vocational Federal Grant	11,287	-
Career Majors Workforce Development Grant	8,686	4,484
Public Safety and Community Policing Grant	-	34,801
Debt Service	1,720,365	1,103,215
Pension Trust	-	125,616
	<hr/>	<hr/>
Totals	\$ 1,806,561	\$ 1,319,481

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements. These deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. Balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13.

Investment Policies

Indiana Code 5-13-9 authorizes the School Corporation to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended June 30, 2005 and 2006, were as follows:

Transfer From	Transfer To	2005	2006
General Fund	Other governmental	\$ 15,844	\$ 12,756
Capital Projects	Transportation	100,000	100,000
Debt Service	Other governmental	140,485	-
High School Construction	Other governmental	30,214	34,750
Transportation	Capital Projects	-	100,000
Other governmental	Debt Service	216,493	-
Other governmental	Other governmental	26,568	52,307
		<u>\$ 529,604</u>	<u>\$ 299,813</u>
Totals		<u>\$ 529,604</u>	<u>\$ 299,813</u>

The School Corporation typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The School Corporation is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

C. Holding Corporations

The School Corporation has entered into a capital lease with Lake Prairie School Building Corporation, Tri-Creek 2002 High School Building First Mortgage Bonds, and Tri-Creek South Nichols/Three Creeks School Building Corporation (the lessors). The lessors were organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the School Corporation. The lessors have been determined to be a related party of the School Corporation. Lease payments during the year totaled \$3,979,493.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Subsequent Events

Property Taxes

Property tax rates and levies for 2004 taxes payable in 2005 were not established by February 15, 2004, as required by state statute due to the delay in the completion of the reassessment of Lake County. The 2005 property tax rates and levies were not established until October 2004; thus, the property taxes were not billed or collected timely. The final settlement of the 2004 taxes payable in 2005 was distributed to the various governmental entities in March 2006. This resulted in reduced tax revenues for the School Corporation in 2005.

The 2005 pay 2006 rates and levies were not established by February 15, 2005, as required by state statute due to the delay in the completion of the reassessment of Lake County. The tax bills were mailed to Lake County residents in August 2006. They were due in two installments on August 29, 2006, and November 14, 2006.

Debt

The School Corporation has been approved to issue general obligation bonds not to exceed \$1,800,000, with the proceeds to be used by the school for the construction of roofing and safety projects. The bonds are anticipated to be sold December 20, 2006.

E. Postemployment Benefits

In addition to the pension benefits described below, the School Corporation provides postemployment Health Insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the School Corporation on or after attaining age 55 with at least 20 years of service. Currently, 26 retirees meet these eligibility requirements. The School Corporation and retirees provides 42% and 58%, respectively, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended June 30, 2006, disbursements of \$143,667 were recognized for postemployment benefits.

F. Pension Plans

1. Agent Multiple-Employer and Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the School Corporation authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The School Corporation's annual pension cost and related information, as provided by the actuary, is presented in this note.

Actuarial Information for the Above Plan

	<u>PERF</u>
Annual required contribution	\$ 112,963
Interest on net pension obligation	(8,153)
Adjustment to annual required contribution	<u>9,291</u>
Annual pension cost	114,101
Contributions made	<u>141,809</u>
Decrease in net pension obligation	(27,708)
Net pension obligation, beginning of year	<u>(112,454)</u>
Net pension obligation, end of year	<u>\$ (140,162)</u>
Contribution rates:	
School Corporation	6.25%
Plan members	3%
Actuarial valuation date	07-01-05
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	40 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 150,661	101%	\$ (88,015)
	06-30-04	118,919	121%	(112,454)
	06-30-05	114,101	119%	(140,162)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Teachers' Retirement Fund

Plan Description

The School Corporation contributes to the Indiana Teachers' Retirement Fund (TRF), a defined benefit pension plan. TRF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All employees engaged in teaching or in the supervision of teaching in the public schools of the State of Indiana are eligible to participate in TRF. State statute (IC 5-10.2) governs, through the TRF Board, most requirements of the system and gives the School Corporation authority to contribute to the plan. The TRF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The School Corporation may elect to make the contributions on behalf of the member.

TRF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Teachers' Retirement Fund
150 West Market Street
Indianapolis, IN 46204
Ph. (317) 232-3860

Funding Policy and Annual Pension Costs

The School Corporation contributes the employer's share to TRF for certified employees employed under a federally funded program and all the certified employees hired after July 1, 1995. The School Corporation currently receives partial funding, through the school funding

TRI-CREEK SCHOOL CORPORATION
NOTES TO FINANCIAL STATEMENTS
(Continued)

formula, from the State of Indiana for this contribution. The employer's share of contributions for certified personnel who are not employed under a federally funded program and were hired before July 1, 1995, is considered to be an obligation of, and is paid by, the State of Indiana.

Plan members are required to contribute 3% or 0% of their salary, dependent upon employment status and the School Corporation is to contribute at an actuarially determined rate. The current rate has been actuarially determined under the entry age normal cost method to be 6.82% of covered wages. The School Corporation's required contributions to the plan for the fiscal years ended June 30, 2006, 2005, and 2004, were \$270,176, \$222,156, and \$192,159, respectively. The School Corporation actually contributed 100% of the required contribution for each of the fiscal years, respectively.

TRI-CREEK SCHOOL CORPORATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 2,443,647	\$ 2,541,945	\$ (98,298)	96%	\$ 2,219,383	(4%)
07-01-04	2,494,367	2,632,445	(138,078)	95%	1,981,131	(7%)
07-01-05	2,607,923	2,827,653	(219,730)	92%	1,985,012	(11%)

TRI-CREEK SCHOOL CORPORATION
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

June 30, 2006

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Lake Prairie School Building Corp, First Mortgage Bonds, Series 1998	\$ 6,130,000	\$ 420,000
Tri-Creek South Nichols/Three Creeks School Building Corporation, Series 2001	4,865,000	1,040,000
Tri-Creek 2002 High School Building First Mortgage Bonds, Series 2003	29,685,000	305,000
Notes and loans payable		
Common School Construction Loan	15,893,052	1,313,052
Common School Technology Loans	857,167	336,666
Bonds payable:		
General obligation bonds:		
School Improvement Bonds, Series 1998	415,000	160,000
Pension Bonds, Series 2003	1,300,000	80,000
Pension Bonds, Series 2006	1,200,000	-
Total governmental activities long-term debt	<u>\$ 60,345,219</u>	<u>\$ 3,654,718</u>

TRI-CREEK SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS

HOLDING CORPORATION PROCEEDS

The School Corporation made the final lease payment on the Middle School in December 2003. The Holding Corporation paid the bonds in full on January 15, 2004. The School Corporation received \$131,828.15 from the Holding Corporation in July 2005, due to the closing of Holding Corporation's accounts. The amounts received from the Holding Corporation were receipted by the School Corporation into a new fund, Middle School Construction, instead of one of the statutorily permitted funds.

Indiana Code 20-47-2-23 states: "(a) Upon the termination of a lease entered into under this chapter, the lessor corporation shall return to the school corporation any money held by the lessor corporation that exceeds the amount needed to retire bonds issued under this chapter and to dissolve the lessor corporation. (b) A school corporation shall deposit the money received under subsection (a) in its debt service fund or capital projects fund."

NEGATIVE CASH BALANCES

The following funds were overdrawn at June 30, 2005, and June 30, 2006.

<u>Fund</u>	<u>2005</u>	<u>2006</u>
Safe Haven Grant	\$ -	\$ 1,167
Common School Technology Advance	66,223	46,174
Title IV, Part A Safe and Drug Free	-	4,024
Perkins Vocational Federal Grant	11,287	-
Career Majors Workforce Development Grant	8,686	4,484
Public Safety and Community Policing Grant	-	34,801
Debt Service	1,720,365	1,103,215
Pension Trust	-	125,616

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

APPROPRIATIONS

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Pension Debt	2004	\$ 70,242
Debt Service	2004	48,399

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

TRI-CREEK SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

RECEIPT ISSUANCE

Receipts were not always issued at the time money was received. Some receipts reviewed were issued and deposited up to six days after collections were received. A similar comment appeared in the prior report.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Indiana Code 5-13-6-1(c) states in part: ". . . all local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . ."

AWARDING BIDS

The School Corporation advertised and received bids in 2005, for tables and chairs and technology equipment at the High School. The School Board minutes did not state who the lowest responsible and responsive bidder was nor did the minutes state who received the bid award.

All business transacted by the governing body must be recorded in the minutes of the meetings. It is the duty of the secretary of the governing body to keep the minutes and the minutes of each meeting should be approved by the governing body and signed by the members attending.

It is important that the minutes be accurate and complete since the governing body speaks from its minutes. It is not necessary that all documents acted upon, such as bids and contracts, be copied in the minutes but reference thereto and the action taken thereon should be recorded in the minutes and the documents carefully preserved. There are important papers and documents; however, that will need to be completely recorded in the minutes, such as proceedings to issue bonds. You should consult the school attorney if a question arises as to the need for making a complete record on any matter. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 8)

Indiana Code 5-22-7-8 states: "A contract must be awarded with reasonable promptness by written notice to the lowest responsible and responsive bidder."

TRANSPORTATION FEES

The School Board adopted a transportation fee on June 24, 2004. The fee was charged and collected during the 2004-2005 and 2005-2006 school years for the transportation of students to and from school. The fee is collected by the individual schools and remitted to the School Corporation. Receipts are not issued when the fee is collected, except at one school. Additionally, parking fees are collected by the High School. A portion of the fee is remitted to the School Corporation's Transportation Fund.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TRI-CREEK SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

The State Board of Accounts is of the audit position the following types of fees should not be assessed, collected or receipted by a school or school corporation: Air Conditioning Fees; Parking Fees; Instructional Fees; Bus Rider Fees; Fees for Payroll Positions (Nurses, Principals, Counselors, etc.) (The School Administrator and Uniform Compliance Guidelines, June 2000, Volume 150)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

TEXTBOOK FEES

Textbook rental is accounted for at the elementary, middle and high schools. Fees charged were calculated incorrectly for one subject area at the middle school. The fee charged exceeded the rate approved by the School Board and statute.

Indiana Code 20-26-12-2(a) states: "A governing body may purchase from a contracting publisher, at a price equal to or less than the net contract price, any textbook adopted by the state board and selected by the proper local officials. The governing body may rent these textbooks to students enrolled in any public or nonpublic school that is:

- (1) in compliance with the minimum certification standards of the state board; and
- (2) located within the attendance unit served by the governing body.

The annual rental may not exceed twenty-five percent (25%) of the retail price of the textbooks."

TEXTBOOK RENTAL RECEIPTS (Applies to all schools)

We noted the following concerning controls over the receipting of textbook rental fees:

1. All Schools - the approved textbook rental form (TBR-2) does not have a place for the date of payment or the amount received. With some schools adding additional fees to the receipt, we could not always determine if the additional fees were paid. Lake Prairie School did not note anywhere on the receipt the date payment was received. As a result, timeliness of deposits could not be verified.
2. Lowell High School, Three Creeks, Lake Prairie and Oak Hill Elementary Schools - payments made in installments were recorded on one textbook rental receipt. Payers were not issued a new receipt when installment payments were made.
3. Lake Prairie Elementary School - When a check was received as payment for two or more students from the same household, the total amount of the check was noted on both students' receipts. No reference was made to the other student's receipt. Accordingly, we could not readily reconcile receipts to collections for textbook rental.
4. Three Creeks Elementary School - A number of TBR-2 forms were missing and not accounted for. Additionally, no blue copies of the TBR-2's issued after April 6, 2006 were provided for audit.

TRI-CREEK SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

5. Lowell High School - TBR-2's were not issued for fees collected from new students or student with schedule changes. Instead, a copy of the student's schedule or a computer printout was used to document the collection.
6. Lowell High School - Post dated checks were accepted at registration for payment of book rental fees. Some of the checks were held for several weeks until they could be deposited.
7. All schools - Textbook rental receipts are printed prior to registration with the students name and fees. When a payment is received, the student's preprinted receipt is located and payment is noted on the receipt. Thus, textbook rental receipts are not being issued in numerical order at the time of collection of fees.

Due to the manner in which textbook rental receipts are issued, we could not determine that all textbook rental fees were properly accounted for and we were unable to verify that all receipts issued were deposited in the extra-curricular account.

8. Oak Hill Elementary School - If a student did not attend the school, after a receipt form was printed for them, their name and other identifying information was scratched out or covered up and the receipt then issued to a different student.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

A separate TBR-2 should be issued for each payment. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 4).

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7).

CASH DISBURSEMENTS (Applies to Lowell High School)

Disbursements were not always made by check. Receipts were noted for sales of candy but no disbursements were made for product to sell. Officials indicated that purchases were made from collections.

Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

CASH CHANGE FUND (Applies to Lowell Middle School)

Lowell Middle School has a \$100 cash change fund for athletic events and registration. The cash change is not receipted back into the fund during the summer when not needed, nor does the School know what fund was created from the cash change. Additionally, the book store has cash change, but does not know how the cash change was established.

TRI-CREEK SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

A Cash Change Fund may be established in any school corporation with the approval of the governing body (board of school trustees), where any officer or employee of the corporation is charged with the duty of collecting fees or other cash revenues. When authorized by the governing body, such Cash Change Fund shall be established by a check drawn on the General Fund (or other appropriate fund) of the school corporation in an amount to be determined by the governing body. The check is drawn in favor of the officer or employee who has been designated as custodian of the Cash Change Fund. The custodian shall convert same to cash and be held responsible for the safekeeping of such cash and the proper accounting thereof in the same manner as required for other funds of the school corporation. The governing board shall have authority to increase or decrease such fund and shall require the entire Cash Change Fund to be returned to the General Fund if and when it is no longer needed for the purpose established or when a change is made in the custodian of the fund [IC 36-1-8-2]. (Accounting and Uniform and Compliance Guidelines Manual for Extra Curricular Accounts, Chapter 6)

PREScribed FORMS (Applies to Lowell Middle School)

The Middle School uses the Prescribed Receipt Form SA-3. The composition of cash and check is not always noted on the receipt. The composition could not be verified for 8 deposits examined, since 1 or more receipts in the deposit did not have the composition breakdown between cash and checks noted.

The Middle School began using a computer generated check in June 2006. The check form states approval in 2006 for Lowell Middle School. However, the form has not been approved for use by State Board of Accounts.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

TICKET SALES REPORT FORM SA-4 (Applies to Lowell Middle and High Schools)

Lowell High School

The Ticket Sales Report Form SA-4 is used, but various problems were noted. We observed reports not listing all ticket series used or not agreeing with reported ticket series when compared to tickets retained for audit. Some reports were not filled out completely or noted that not all tickets were "pulled". As a result, ticket sales reports usually did not agree to amounts deposited. The reports are not signed to document the preparer or reviewer. Tickets were not torn and given to paying patrons, and often tickets were observed attached to other tickets. As a result, full accountability for all money received from admissions could not be determined.

Lowell Middle School

Prenumbered tickets were not used for non-athletic events such as dances, where an admission fee is charged.

Ticket sales conducted by any activity should be accounted for as follows:

The treasurer should be responsible for the proper accounting for all tickets and should keep a record of the number purchased, the number issued for sale, and the number returned. The treasurer should see that proper accounting is made for the cash received from those sold. All tickets shall be prenumbered, with a different ticket color and numerical series for each price group. When cash for ticket sales is

TRI-CREEK SCHOOL CORPORATION
AUDIT RESULTS AND COMMENTS
(Continued)

deposited with the treasurer, the treasurer's receipt issued therefore should show the number of tickets issued to the seller, the number returned unsold and the balance remitted in cash. All tickets (including free or reduced) must be listed and accounted for on the SA-4 Ticket Sales Form. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Serially prenumbered tickets by the printing supplier should be used for all athletic and other extra-curricular activities and events for which admission is charged. Part of the prenumbered ticket should be given to the person paying for the ticket upon admission to the event. The other part of the ticket (which should also be prenumbered, referred to as the stub) should be retained. All tickets (unused tickets and stubs) should be retained for audit. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

Tickets for each price group should be different colors and/or different in their series number. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 2)

ECA EDUCATIONAL FEES (Applies to Lowell Middle and High Schools,
Lake Prairie and Three Creeks Elementary Schools)

Some educational fees (such as lost identification cards, lanyards, library fines) were being receipted to and retained in an extra-curricular fund.

Indiana Code 20-26-4-1 concerning duties of the School Corporation Treasurer, states in part: "The treasurer is the official custodian of all funds of the school corporation and is responsible for the proper safeguarding and accounting for all the funds . . ." Therefore, all grant monies and properly authorized fees at an individual building should be transferred to the School Corporation Central Office on a timely and regular basis for receipting into the appropriate school corporation fund. The School Corporation Attorney should provide written guidance concerning whether fees are appropriate in regards to Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 6)

CLAIM FOR PAYMENT (FORM SA-7) (Applies to Lowell High School)

The Athletic Department obtained approval for a computer generated form SA-7 (Claim for payment). Due to financial software limitations, the forms were not prenumbered but manually numbered.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Extra-Curricular Accounts, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TRI-CREEK SCHOOL CORPORATION, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Tri-Creek School Corporation (School Corporation) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended June 30, 2005 and 2006. The School Corporation's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the School Corporation's management. Our responsibility is to express an opinion on the School Corporation's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Corporation's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the School Corporation's compliance with those requirements.

As described in item 2006-1 in the accompanying Schedule of Findings and Questioned Costs, the School Corporation did not comply with requirements regarding procurement that are applicable to its Fund for the Improvement of Education. Compliance with such requirements is necessary, in our opinion, for the School Corporation to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the School Corporation complied, in all material respects, with the requirements referred to above that are applicable to each of its other major federal programs for the years ended June 30, 2005 and 2006.

Internal Control Over Compliance

The management of the School Corporation is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School Corporation's internal control

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the School Corporation's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts and grants. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item 2006-1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are considered to be material weaknesses. However, of the reportable conditions described above, we consider item 2006-1 to be a material weakness.

This report is intended solely for the information and use of the School Corporation's management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

December 12, 2006

TRI-CREEK SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2005 and 2006

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Total Federal Awards Expended 06-30-05	Total Federal Awards Expended 06-30-06
<u>U.S. DEPARTMENT OF AGRICULTURE</u>				
Pass-through Indiana Department of Education				
Child Nutrition Cluster				
School Breakfast Program	10.553	FY 04-05 FY05-06	\$ 19,874 -	\$ - 28,001
Total for program			19,874	28,001
National School Lunch Program	10.555	FY 04-05 FY05-06	272,663 -	- 273,597
Total for program			272,663	273,597
Total for federal grantor agency			292,537	301,598
<u>U.S. DEPARTMENT OF JUSTICE</u>				
Pass-through Town of Lowell				
Public Safety Partnership and Community Policing Grants	16.710			
Security with Assistance of Technology (SWAT)		2005CKWX0532	-	34,801
<u>U.S. DEPARTMENT OF EDUCATION</u>				
Direct grant				
Fund for the Improvement of Education	84.215			
Carol M. White Physical Education Program		Q215F031115	252,463	-
Pass-through Indiana Department of Education				
Title I Grants to Local Educational Agencies	84.010	04-4645 05-4645 06-4645	46,516 114,940 -	- 25,993 67,091
Total for program			161,456	93,084
Pass-through Hanover Community School Corporation				
Vocational Education - Basic Grants to States	84.048	04-4700-4580 05-4700-4580	12,477 13,260 -	- 3,627 8,819
Total for program			25,737	12,446
Pass-through Indiana Department of Education				
Safe and Drug-Free Schools and Communities - State Grants	84.186	03-188 04-045 05-232	10,334 - -	39 11,016 8,088
Total for program			10,334	19,143

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

TRI-CREEK SCHOOL CORPORATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended June 30, 2005 and 2006
(Continued)

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity or Other Identifying Number	Total Federal Awards Expended 06-30-05	Total Federal Awards Expended 06-30-06
<u>U.S. DEPARTMENT OF EDUCATION (continued)</u>				
Pass-through Indiana Workforce Development Tech-Prep Education	84.243	TP-3-88 TP-5-88	64,820 <u>-</u>	89,181 <u>10,822</u>
Total for program			<u>64,820</u>	<u>100,003</u>
Pass-through Indiana Department of Education State Grants for Innovative Programs	84.298	02-075 03-024 04-110 05-075	728 6,426 - <u>-</u>	- 4,428 5,659 <u>200</u>
Total for program			<u>7,154</u>	<u>10,287</u>
Education Technology State Grants	84.318	02-03-4645 03-04-4645 04-05-4645	3,043 4,158 <u>-</u>	- 245 <u>3,009</u>
Total for program			<u>7,201</u>	<u>3,254</u>
Pass-through Northwest Indiana Educational Service Center English Language Acquisition Grants	84.365	T365A030014	<u>-</u>	<u>146</u>
Pass-through Indiana Department of Education Improving Teacher Quality State Grants	84.367	02-029 03-026 04-173 05-209	1,288 38,268 14,472 <u>-</u>	- 5,736 42,690 <u>25,022</u>
Total for program			<u>54,028</u>	<u>73,448</u>
Total for federal grantor agency			<u>583,193</u>	<u>311,811</u>
Total federal awards expended			<u>\$ 875,730</u>	<u>\$ 648,210</u>

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

TRI-CREEK SCHOOL CORPORATION
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Tri-Creek School Corporation (School Corporation) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of School Corporations shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Noncash Assistance

The School Corporation expended the following amount of noncash assistance for the years ending June 30, 2005 and 2006. This noncash assistance is also included in the federal expenditures presented in the schedule.

Program Title	Federal CFDA Number	2005	2006
National School Breakfast Program	10.553	\$ 3,823	\$ 3,965
National School Lunch Program	10.555	55,475	44,130

TRI-CREEK SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? no

Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified? yes

Reportable conditions identified that are not considered to be material weaknesses? no

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
84.215	Fund for the Improvement of Education Child Nutrition Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

TRI-CREEK SCHOOL CORPORATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2006-1, PROCUREMENT

Federal Agency: US Department of Education
Federal Program: Fund for the Improvement of Education
Project Title: Carol M. White Physical Education Program
CFDA Number: 84.215
Award Number: Q215F031115

The June 10, 2004, School Board minutes show that the Tri-Creek School Corporation received bids for physical education equipment at the High School from various vendors. The School Board minutes did not state who the lowest responsible and responsive bidder was, nor did the minutes state who received the bid award.

The specifications for the high school physical education equipment were prepared by the Assistant Superintendent, the Athletic Director of the Middle School and the Assistant Athletic Director of the High School. The Assistant Superintendent was responsible for verifying the specifications were in compliance with applicable laws.

The specifications for the high school physical education equipment presented for audit listed a specific brand name and model number. Many instances of equipment purchases from the grant were observed where the vendor that received the bid award did not have the lowest bid. Inquiry of Officials indicated that the lower bids which were not the exact brand name and model number stated in the specifications did not receive the bid award.

34 CFR Section 80.36 states in part:

"(b) Procurement standards. (1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section."

"(c) Competition. (1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of Sec. 80.36. Some of the situations considered to be restrictive of competition include but are not limited to: . . .

- (vi) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance of other relevant requirements of the procurement."

We recommended that Officials implement controls for procurement to conform to applicable Federal and State laws.



Tri-Creek School Corporation

195 West Oakley Avenue Lowell, IN 46356 Phone: 219-696-6661 Fax: 219-696 2150

November 22, 2006

Summary Schedule of Prior Audit Findings

FINDING NO. 2004-1 CASH MANAGEMENT

Original SBA Audit Report Number: B24959

Fiscal Year 2003-2004

Auditee Contact Person Sandra K. Goss

Title of Contact Person Fiscal Officer

Phone Number 219 696 6661

Status of Finding: Tri-Creek School Corporation maintained a cash balance in excess of current needs for the Title I grant.

Administration took corrective action by instructing the Indiana Department of Education, Title I office, to reduce the next monthly cash distribution so we could stay within the federal guidelines. At times the DOE did reduce the next distribution as requested and other times our request was ignored. Two examples are attached.

There were months we had placed orders with vendors anticipating to receive invoices to pay for supplies and/or services rendered by the second Friday of each month when claims are paid; however, we did not receive the invoices in a timely manner to actually expend the funds we had on hand. At times this continues to be a problem. We have no control over vendors invoicing Tri-Creek in a timely manner. We continue to try to work with vendors to solve this problem.

Respectfully submitted,

Sandra K. Goss
Fiscal Officer

**Title I
Quarterly Monitoring Report
2004-2005**

Indiana Dept. of Education
Phone: 317-232-0540
IASA, Title I, P.L. 103-382 (as of July 1, 1995)

Project No. 05-4645

Legal Name of School Corporation Tri-Creek School Corp	LEA Code No. 4645
Address 195 W Oakley Ave Lowell IN 46356	County 45
Person Preparing Report Sandra K. Goss, Fiscal Officer	Phone (219)696-6661

NOTE: Quarterly Monitoring Report is due each quarter. Your cash balance at the end of each quarter should be zero (0) or as near zero (0) as possible.

Reporting Period (check one)

- ☐ 1st Quarter - July through September 30 - Due October 10
☐ 2nd Quarter - October 1 through December 31 - Due January 10
☒ 3rd Quarter - January 1 through March 31 - Due April 10
☐ 4th Quarter - April 1 through June 30 - Due July 10

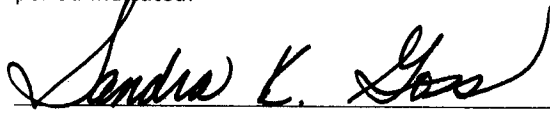
ALL QUARTERLY MONITORING REPORTS ARE ON A CUMULATIVE BASIS

	Current Year		Other (carry over)
Amount Available	162,691.52		0.00
Amount Approved	162,691.52		0.00
Amount Received	119,374.64		0.00
Expenditures through (3) Quarter	71,043.48		0.00
Cash on Hand	48,331.16		0.00
Unliquidated Obligations	9,962.38		0.00
Please reduce our next available distribution by	11,759.00	to	0.00

The BOE did not reduce our May distribution.

Comments

I certify to the best of my knowledge and belief the above report accurately reflects fiscal transactions of this project for the period indicated.


TREASURER

04/07/2005

DATE ENTERED

DATE UPDATED

REVENUE MASTER FILE - DETAIL OF ACTIVITY
 FROM: 07/01/04 THRU 06/30/05
 * SEQUENCED BY ACCOUNT *
 ACCOUNT MASK: XX-410-6-XXXX-XXXX-XXXX-XXXX-X
 TITLE 1 FY00

** 00-410-6-0000-04414-00000-0000-0 **

RECEIPTS

RCPT #	RECEIVED FROM	DATE	DEP.	BANK	AMOUNT	REASON	STATUS
013383	AUDITOR OF STATE OF INDIANA	08-10-04	08-10-04	LN	11,529.19	TITLE I DISTRIBUTION	DEPOSITED
012421	AUDITOR OF STATE OF INDIANA	09-07-04	09-07-04	LN	8,000.00	TITLE I DISTRIBUTION	DEPOSITED
012522	AUDITOR OF STATE OF INDIANA	10-01-04	10-01-04	LN	8,000.00	TITLE I DISTRIBUTION	DEPOSITED
012545	AUDITOR OF STATE OF INDIANA	11-10-04	11-10-04	LN	15,000.00	TITLE I DISTRIBUTION	DEPOSITED
012594	AUDITOR OF STATE OF INDIANA	12-08-04	12-08-04	LN	15,000.00	TITLE I DISTRIBUTION	DEPOSITED
012669	AUDITOR OF STATE OF INDIANA	01-25-05	01-25-05	LN	11,759.00	TITLE I GRANT	DEPOSITED
012777	AUDITOR OF STATE OF INDIANA	02-28-05	02-28-05	LN	11,759.00	TITLE I GRANT	DEPOSITED
012796	AUDITOR OF STATE OF INDIANA	03-10-05	03-10-05	LN	11,759.00	TITLE I GRANT	DEPOSITED
012872	AUDITOR OF STATE OF INDIANA	04-11-05	04-12-05	LN	11,759.00	TITLE I GRANT DISTRIBUTION	DEPOSITED
012921	AUDITOR OF STATE OF INDIANA	05-10-05	05-10-05	LN	11,759.00	TITLE I GRANT DISTRIBUTION	DEPOSITED
013005	AUDITOR OF STATE OF INDIANA	06-13-05	06-13-05	LN	11,300.00	TITLE I GRANT DISTRIBUTION	DEPOSITED

*** TOTAL RECEIPTS (W/O CANCELS)

124,823.07

ESEA TITLE I CASH REQUEST FOR FY 2004-2005

School Corporation: Tri Creek	County: Lake	Corp #: 4645
<ul style="list-style-type: none"> • Use twelve-month distribution, if appropriate (i.e., 12-month payroll; summer programs). • Use odd-dollar amounts for first distribution only. • Request all other amounts to the nearest 100 dollars. 		<input type="checkbox"/> APPLICATION <input checked="" type="checkbox"/> AMENDMENT

Month	LEA Use 2004-2005	SEA Use Only			
		Date	2003-2004	Date	2002-03 CO
August 2004	11,529.19 ✓				
September 2004	11,500.00 8,000.00 ✓				
October 2004	11,500.00 8,000.00 ✓				
November 2004	11,500.00 15,000.00 ✓				
December 2004	11,500.00 15,000.00 ✓				
January 2005	11,759.00 ✓				
February 2005	11,759.00 ✓				
March 2005	11,313.58 11,759.00 ✓				
April 2005	11,313.58 11,759.00 ✓				
May 2005	11,313.58 8957.88 ✓				
June 2005	11,313.57 11,300.00 ✓				
July 2005	9,821.57 11,300.00 ✓				
TOTAL*	136,123.07 ✓	Sub-Total		Sub-Total	
				TOTAL	

* Must include other 2002-2003 unrequested carryover funds.

* 136,123.07 ✓

26,568.45 ✓

162,691.52 ✓

TOTAL CASH REQUEST	+	2002-2003 UNEXPENDED BALANCE (Based on Annual Expenditure Report)	=	2003-2004 TOTAL PROGRAM COST (Must match TOTAL PROGRAM COST on page 6.)
--------------------	---	---	---	---

I certify that I am the treasurer or township trustee of the governing body of the above referenced school corporation and that, to the best of my knowledge, the amount of the estimated cash request will not result in a cash surplus greater than the estimated expenditures.

Sandra K. Goss

3-24-2005

Signature

Date

Check one:

☒

Treasurer

☐

Township Trustee

Treasurer's Name: Sandra K. Goss

Business Address: 195 W. Oakley Avenue

City & Zip Code: Lowell 46356

Business Telephone: 219.696.6661

Business Fax: 219.696.2150

Email: sgoss@tricreek.k12.in.us

**Title I
Quarterly Monitoring Report
2005-2006**

Indiana Dept. of Education
Phone: 317-232-0540
IASA, Title I, P.L. 103-382 (as of July 1, 1995)

Project No. SY 2005-2006

Legal Name of School Corporation Tri-Creek School Corp	LEA Code No. 4645
Address 195 W Oakley Ave Lowell IN 46356	County 45
Person Preparing Report Sandra K. Goss	Phone (219)696-6661
NOTE: Quarterly Monitoring Report is due each quarter. Your cash balance at the end of each quarter should be zero (0) or as near zero (0) as possible.	
Reporting Period (check one) <input type="checkbox"/> 1st Quarter - July through September 30 - Due October 10 <input type="checkbox"/> 2nd Quarter - October 1 through December 31 - Due January 10 <input checked="" type="checkbox"/> 3rd Quarter - January 1 through March 31 - Due April 10 <input type="checkbox"/> 4th Quarter - April 1 through June 30 - Due July 10	
ALL QUARTERLY MONITORING REPORTS ARE ON A CUMULATIVE BASIS	
	Current Year
Amount Available	228,505.35
Amount Approved	228,505.35
Amount Received	152,593.35
Expenditures through (3) Quarter	120,719.23
Cash on Hand	31,874.12
Unliquidated Obligations	2,226.70
Please reduce our next available distribution by	18,978.00
	to 0.00

Comments

The DOE did reduce our pay distribution. Did not receive May 2006 distribution.

I certify to the best of my knowledge and belief the above report accurately reflects fiscal transactions of this project for the period indicated.

Sandra K Goss
TREASURER

04/10/2006

DATE ENTERED DATE
UPDATED

ESEA TITLE I CASH REQUEST FOR FY 2005-2006

Month		LEA Use 2005-2006	SEA Use Only	
			Date	2005-2006
August-2005	\$9,396.45			
September-2005	\$10,000.00			
October-2005	\$16,000.00			
November-2005	\$18,000.00			
December-2005	\$19,956.00			
January-2006	\$18,978.00			
February-2006	\$18,978.00			
March-2006	\$18,978.00			
April-2006	\$18,978.00			
May-2006	\$18,978.00			
June-2006	\$18,978.00			
July-2006	\$18,978.00			
TOTAL*	\$206,198.45 ✓		Sub-Total	Sub-Total
			TOTAL	TOTAL
\$206,198.45 ✓		\$22,306.90 ✓		\$228,505.35 ✓
TOTAL CASH REQUEST * Must include other 2004-2005 unrequested carryover funds.		2004-2005 UNEXPENDED BALANCE (Based on Annual Expenditure Report)	=	2005-2006 TOTAL PROGRAM COST (Must match TOTAL PROGRAM COST on page 15)

I certify that I am the treasurer or township trustee of the governing body of the above referenced school corporation and that, to the best of my knowledge, the amount of the estimated cash request will not result in a cash surplus greater than the estimated expenditures.

Signature *Sandra K. Goss* Date 6-29-2005

Check One ☒ Treasurer ☐ Township Trustee

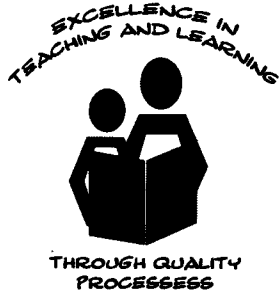
Treasurer's Name Sandy Goss

Business Address 195 W. Oakley Avenue

City & Zip Code Lowell, 46356 Email sgoss@tricreek.k12.in.us

Business Tel. 219-696-6661 Business 219-696-2150

06 4107 04414



Tri-Creek School Corporation

195 West Oakley Avenue Lowell, IN 46356 Phone: 219-696-6661 Fax: 219-696-2150

RE: FINDING NO. 2006-1 PROCUREMENT
FUND FOR IMPROVEMENT OF EDUCATION
CAROL M. WHITE PHYSICAL EDUCATION PROGRAM
CFDA NUMBER 84.215
AWARD NUMBER Q215F031115

DATE: 1/2/2007

Corrective Action Plan:

Tri-Creek School Corporation, as a grantee or sub-grantee, will use procurement procedures which reflect state and local laws and regulations, as well as Board policy, provided that such procedures conform to applicable Federal law.

Tri-Creek School Corporation will conduct all procurement transactions in a manner providing full and open competition consistent with Federal law. Specifically, the district will not be restrictive in its procurement procedures by specifying only brand names instead of allowing an "equal" product to be offered.

Board minutes will reflect who is the lowest responsible and responsive bidder. When the lowest bidder does not receive the bid, Board minutes will reflect the reason for the non-award.

RACusic
Assistant Superintendent
Tri-Creek School Corp.

TRI-CREEK SCHOOL CORPORATION
EXIT CONFERENCE

The contents of this report were discussed on January 3, 2007, with Dr. Alice A. Neal, Superintendent of Schools; Dr. R. A. Cusic, Assistant Superintendent of Schools; and Sandra K. Goss, Fiscal Officer and Treasurer.